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ABSTRACT

The General Accounting Office (GAO) was asked to determine who is being served by the Food Stamp Employment and Training Program (FSE&T program), what services are being provided through the program, and what is known about the program's outcomes and effectiveness. The U.S. Department of Agriculture (USDA) does not collect nationwide data on the number and characteristics of FSE&T program participants. However, program officials in 15 states contacted by GAO described the program's participants as generally hard to employ because they have little education and limited work experience. USDA data show that, in fiscal year 2001, job search accounted for approximately half of all participant activities and work experience whereby participants receive food stamp benefits in exchange for work accounted for approximately 25%. FSE&T program services were being delivered through a variety of local entities such as welfare offices and one stop centers. No nationwide data exist regarding whether the FSE&T program helps participants get jobs. The existing state-level outcome data do not specify whether program outcomes were the result of program participation. The study's authors emphasized that better data are needed to understand whom the program is serving and what it is achieving. (Appendixes present information on program participants' ages, program activities, and program expenditures and allocations.) (MN)

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United States General Accounting Office

GAO

Report to Congressional Requesters

March 2003

FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

Better Data Needed to Understand Who Is Served and What the Program Achieves

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Highlights

Highlights of GAO-03-388, a report to Congressional Requesters.

FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM

Better Data Needed to Understand Who Is Served and What the Program Achieves

Why GAO Did This Study

Since the late 1990s, many funding changes have been made to the Food Stamp E&T Program. In 1997, legislation required states to spend 80 percent of their funds on participants who lose their food stamp benefits if they do not meet work requirements within a limited time frame. The legislation also increased funds by $131 million to help states serve these participants. But spending rates for the program declined until, in 2001, states spent only about 30 percent of the federal allocation. In 2002, the Congress reduced federal funds to $110 million a year. While it is too soon to know the impact of these changes, GAO was asked to determine whom the program serves, what services are provided, and what is known about program outcomes and effectiveness.

What GAO Recommends

GAO is recommending that USDA collect nationwide data on program participants, require states to collect outcome measures, and work with other agencies on a research agenda that will allow for an effectiveness evaluation.

In comments on a draft of GAO's report, Food and Nutrition Service officials agreed with the benefits of obtaining more information on whom the program is serving and what it is achieving. However, they expressed concern over the costs of implementing GAO's recommendations, particularly GAO's recommendation related to outcome data.

www.gao.gov/cgi-bin/getrpt?GAO-03-388.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at 202-512-7215 or nilsens@gas.gov.

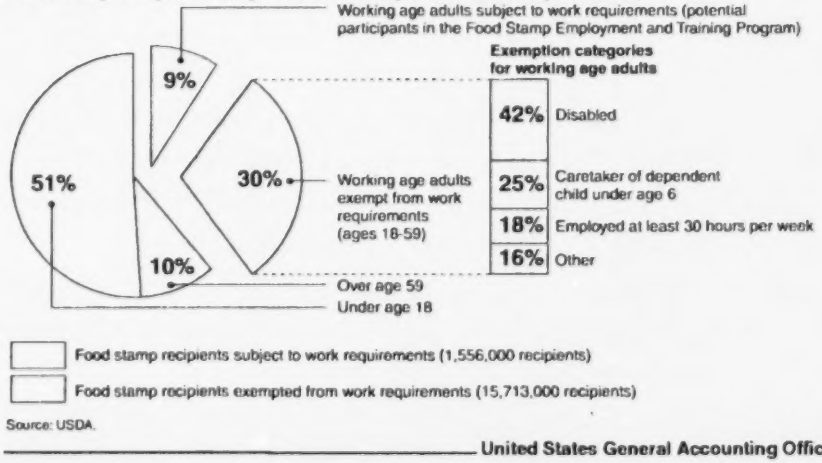
What GAO Found

Food Stamp Employment and Training (E&T) participants are a small proportion of the food stamp population and do not usually receive cash assistance from other programs. While the U.S. Department of Agriculture (USDA) does not collect nationwide data on the number and characteristics of Food Stamp E&T participants, program officials in the 15 states GAO contacted described the population as generally hard to employ because they have little education and a limited work history.

States may provide program participants with a range of employment and training activities that qualify them for food stamp benefits. USDA data show that, in fiscal year 2001, job search accounted for about half of all participant activities. Work experience—whereby participants receive food stamp benefits in exchange for work—accounted for about 25 percent. Food Stamp E&T services are delivered through a variety of local entities, such as welfare offices or one-stop centers—sites designed to streamline the services of many federal employment and training programs. While all but 1 of the 15 states delivered at least some of their Food Stamp E&T services at the one-stops, Food Stamp E&T participants do not usually engage in intensive services provided by other programs at the one-stops. Program officials from most of the 15 states noted that Food Stamp E&T participants generally lack basic skills that allow them to use other program services successfully.

No nationwide data exist on whether the Food Stamp E&T Program helps participants get a job. While some outcome data exist at the state level, it is not clear the outcomes were the result of program participation. USDA has no plans to evaluate the effectiveness of the program nor have the Departments of Labor or Health and Human Services included Food Stamp E&T participants in their studies of the hardest-to-employ.

Food Stamp Recipients Subject to and Exempt from Work Requirements, FY 2001


Working age adults subject to work requirements (potential participants in the Food Stamp Employment and Training Program)
Exemption categories for working age adults
9%
51%
30%
10%
42% Disabled
25% Caretaker of dependent child under age 6
18% Employed at least 30 hours per week
16% Other
Working age adults exempt from work requirements (ages 18-59)
Over age 59
Under age 18
Food stamp recipients subject to work requirements (1,556,000 recipients)
Food stamp recipients exempted from work requirements (15,713,000 recipients)

Source: USDA.

United States General Accounting Office

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Abbreviations

ABAWDs	able-bodied adults without dependents
BBA	Balanced Budget Act
E&T	Employment and Training
FNS	Food and Nutrition Service
GPRA	Government Performance and Results Act
HHS	Department of Health and Human Services
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
TANF	Temporary Assistance for Needy Families
USDA	U.S. Department of Agriculture
WIA	Workforce Investment Act

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United States General Accounting Office
Washington, DC 20548

March 12, 2003

The Honorable Tom Harkin
Ranking Minority Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Edward M. Kennedy
Ranking Minority Member
Committee on Health, Education, Labor and Pensions
United States Senate

The Honorable Richard Lugar
United States Senate

In 1985, the Food Security Act established the Food Stamp Employment and Training (E&T) Program, administered by the U.S. Department of Agriculture (USDA), to assist food stamp recipients who are able-bodied gain skills to help them obtain employment. Since that time, many changes have been made to the program. In 1996, as part of welfare reform, the Congress created the Temporary Assistance for Needy Families (TANF) block grant to replace the previous welfare program and help welfare recipients' transition into employment. Welfare reform also changed the Food Stamp E&T Program by limiting one group of program participants—able-bodied adults without dependents (ABAWDs)—to 3 months of food stamp benefits within a 36-month period unless they comply with work requirements. Legislation 1 year later required states to spend most of their federal funding on ABAWDs and increased funds by $131 million in fiscal year 1998 in order to help serve this group. After these changes, however, spending rates for the program declined until, in fiscal year 2001, states spent only about 30 percent of the federal allocation—raising questions about whom the program was serving and what the program was achieving. Most recently, the Congress passed the 2002 Food Security and Rural Investment Act (the Farm Bill), reducing federal funds to $110 million a year and removing the requirement that states spend most of their federal funds on ABAWDs. It is unclear, however, what impact these changes will have on the program's focus, services, or outcomes.

While it is too soon to know the impact of recent legislative changes on how the program operates, you asked us to provide you with information

on current program participants, services, and outcomes. Specifically, you asked us to determine (1) the characteristics of Food Stamp E&T participants, (2) the services states are providing to Food Stamp E&T participants, (3) where services are delivered, and 4) what is currently known about program outcomes and effectiveness.

To answer these questions, we analyzed the limited state and federal data available on the characteristics of food stamp recipients and the outcomes achieved in the Food Stamp E&T Program. To better understand how the program operates, we conducted comprehensive site visits in 5 states and interviewed state and local food stamp and workforce development officials in 10 more states.[1] In addition, we interviewed officials at USDA's Food and Nutrition Service (FNS) and reviewed documents, including state Food Stamp E&T Program plans for the 15 states for fiscal years 2001, 2002, and 2003. We conducted our work from March 2002 to February 2003, in accordance with generally accepted government auditing standards.

Results in Brief

Food Stamp Employment and Training participants are a small proportion—less than 9 percent—of the food stamp population and they do not usually receive cash assistance from other programs. In addition, according to state and local program officials, Food Stamp E&T participants have characteristics that make them hard to employ. While USDA collects some nationwide data on the food stamp population for quality control purposes, it does not collect the information in a way that allows the agency to distinguish food stamp recipients participating in the Food Stamp E&T Program from recipients who are participating in other employment and training programs. However, the proportion of food stamp recipients served by the Food Stamp E&T Program is small because most food stamp recipients are exempt from food stamp work requirements due to their age or health. While nationwide data on the number and characteristics of Food Stamp E&T participants are not available, state and local officials in the 15 states we reviewed described

[1]We chose states for our site visits and telephone interviews based on criteria such as how much federal funding the state was allocated in fiscal year 2001, what proportion of the federal funding states expended, the number of people served in a state, and the state's geographic location. We selected our states to give us a range of funding levels, expenditure rates, and participants served. States we visited were California, Colorado, North Carolina, Texas, and Virginia. We conducted telephone interviews with state and local officials in Florida, Idaho, Illinois, Michigan, Missouri, New Jersey, New Mexico, New York, Pennsylvania, and Vermont.

the population as generally hard to employ because they have little education, a limited work history, and are prone to substance abuse problems and homelessness. The officials also noted that many of these characteristics are more prevalent among ABAWDs than among other Food Stamp E&T participants and that this group is the most difficult to serve and employ.

Almost all states nationwide provide individualized case management services to Food Stamp E&T participants and offer some support services, according to USDA officials. While states may provide program participants with a range of employment and training activities that qualify them for food stamp benefits, states most often provide job search or work experience activities—whereby participants receive food stamp benefits in exchange for work in either the public or private sector. While USDA does not require states to report individual participant activities, it does collect data on the number of participants placed in each activity. USDA's data show that, in fiscal year 2001, job search accounted for about half of all participant activities; work experience accounted for about 25 percent; and basic education and training to improve reading, math, and language skills or to obtain a high school equivalency degree accounted for about 8 percent.

In 13 of the 15 states we contacted, the agency that administers the TANF block grant also oversees the Food Stamp E&T Program, but services are delivered through a variety of local entities, such as welfare offices or one-stop centers—sites designed to streamline the delivery of services for many federal employment and training programs. While all but 1 of the 15 states we contacted delivered at least some of their Food Stamp E&T services at the one-stops, the extent to which states use the one-stops to deliver these services varies considerably. Even though Food Stamp E&T participants may receive job search services at the one-stops, they do not usually participate in other employment and training programs available there, according to local officials from most of the states we contacted. Officials from over half of the states we contacted suggested that because Food Stamp E&T participants may be difficult to employ, local one-stop staff might be reluctant to provide intensive services through other employment and training programs, such as the Workforce Investment Act Adult Program, out of concern that they would adversely affect the program's performance measures. In addition, officials from 12 states said Food Stamp E&T participants generally are not ready for many program services, such as training classes offered by programs at the one-stops because they lack basic skills, such as reading and computer literacy, that would allow them to use those services successfully. Despite these

concerns, officials from all 15 states said it could be advantageous to colocate the Food Stamp E&T Program at the one-stops where there would be a broader array of services and the potential for sharing program and staff resources.

No nationwide data exist on whether the Food Stamp E&T Program is effective in helping participants get and keep employment. Although USDA does not require states to collect such information, about half of the 15 states we contacted collected data on the number of participants who got a job—ranging from 15 percent in one state to 62 percent in another—and a few states collected data on starting wages. While some states collect outcome data, it remains unclear whether the outcomes were the direct result of program participation. In 1988, USDA commissioned a study to examine the program's effectiveness and found that those who were required to enroll in the Food Stamp E&T Program did not fare any better in terms of employment or wages than those food stamp recipients who were excluded from participating. No study has been conducted since that time, and USDA has no plans to do another study, nor have the Departments of Labor or Health and Human Services specifically included Food Stamp E&T participants in their studies of the hardest-to-employ.

In order to better understand the population that the Food Stamp E&T Program is serving, we are recommending that USDA collect the food stamp quality control data in a way that will allow the department to estimate the number and characteristics of those individuals participating. In addition, we are recommending that USDA require states to report on program outcomes and work with the Departments of Labor and Health and Human Services on a research agenda that will allow for an evaluation of the effectiveness of this program. While FNS generally agreed with the benefit of collecting more data on the Food Stamp E&T program, the agency had concerns that the potential benefits of such data may not be worth the effort or cost.

Background

Since the 1970s, a variety of work requirements have been tied to the receipt of food stamp benefits, including participation in the Food Stamp E&T Program. Funding for the program has been provided through a combination of federal grants to states, state funds, and federal matching funds. Under the Workforce Investment Act (WIA) of 1998, services for many other federally funded employment and training programs were coordinated through a single system—called the one-stop center system—but the Food Stamp E&T Program was not required to be part of this system.

Food Stamp Program and Work Requirements

The Food Stamp Program, administered at the federal level by USDA, helps low-income individuals and families obtain a more nutritious diet by supplementing their income with food stamp benefits. The states and FNS jointly administer the Food Stamp Program. The federal government pays the cost of food stamp benefits and 50 percent of the states' administrative costs. The states administer the program by determining whether households meet the program's income and asset requirements, calculating monthly benefits for qualified households and issuing benefits to participants. In fiscal year 2001, the Food Stamp Program served an average of 17.3 million people per month and provided an average monthly benefit of $75 per person.

Throughout the history of the Food Stamp Program, a variety of employment and training requirements have been tied to the receipt of food stamp benefits. The Food Stamp Program requires all recipients, unless exempted by law, to register for work at the appropriate employment office, participate in an employment and training program if assigned by a state agency, and accept an offer of suitable employment.[2] Food stamp recipients are exempted from registering for work and engaging in employment and training activities if they are under age 16 or over age 59 or physically or mentally unfit for employment. In addition, they are exempted if they are caring for a child under the age of 6, employed 30 hours a week, or subject to and complying with work requirements for other programs, such as those required by TANF. Still others are exempted because they are receiving unemployment insurance compensation, participating in a drug or alcohol treatment and rehabilitation program, or are students enrolled at least half time.

The Food Stamp Employment and Training Program

The Food Security Act of 1985 created the Food Stamp E&T Program to help participants gain skills, training, or experience that will increase their ability to obtain regular employment. The act requires each state to operate a Food Stamp E&T Program with one or more of the following employment and training activities: job search, job search training, education, vocational training, or work experience. While the act mandates that all nonexempt food stamp recipients register for work, states have the flexibility to determine which local areas will operate a Food Stamp E&T Program and, based on their own criteria, whether or

[2]In addition, food stamp recipients who are not exempt are required to provide information, if requested by the state agency, regarding employment status or availability for work, and are to report to an employer identified by the state agency.

not it is appropriate to refer these individuals to the Food Stamp E&T Program.[3]

Since passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, food stamp recipients aged 18-49, who are "able-bodied" and not responsible for a dependent child—termed able-bodied adults without dependents or ABAWDs—have a time limit for the receipt of food stamp benefits and specific work requirements. PRWORA marked the first time that federal legislation imposed a time limit on the receipt of benefits for any category of food stamp recipients. Under PRWORA, ABAWDs are limited to 3 months of food stamp benefits in a 36-month period unless they meet one of the following ABAWD work requirements: participate in a qualifying work activity 20 hours per week, work 20 hours per week, engage in any combination of qualifying activities for a total of 20 hours per week, or participate in a work experience program.[4] Qualifying activities include education, vocational training, or work experience. ABAWDs may engage in job search or job search training activities within the first month of participation in a work experience program. In addition, ABAWDs can engage in job search activities as part of their work requirements as long as job search does not account for more than half of the time they spend engaged in qualified activities.

At the request of states, FNS may waive ABAWDs from the 3- out of 36-month requirement and the ABAWD work requirement if they live in an area where the unemployment rate is over 10 percent or where the state can document that there are not a sufficient number of jobs to provide employment for these individuals. The Balanced Budget Act (BBA) of 1997 allowed states to exempt an additional 15 percent of ABAWDs, also from the time limit and ABAWD work requirements, based on criteria developed by the state, such as participants in remote counties. However, ABAWDs are still required to comply with Food Stamp Program requirements, such as registering for work at an appropriate employment office.

[3]Food stamp recipients also may volunteer to participate in the Food Stamp E&T Program.

[4]ABAWDs may work less than 20 hours per week if engaged in a work experience program whereby they are only required to work in exchange for food stamp benefits. By law, the number of hours of participation in a work experience activity is limited to the household's food stamp benefit divided by a federal or state minimum wage—whichever one is higher.

Food Stamp E&T participants other than ABAWDs—including 16- or 17- year-old heads of households, individuals age 50-60, and individuals age 18-49 who are responsible for a dependant age 6-17—must comply with any Food Stamp E&T work requirement established by the state where they reside. Some states maintain the same work requirements for these participants as they do for ABAWDs. Other states may impose less rigorous requirements, such as engaging in job search activities a few hours a week. (See table 1.)

Table 1: Work Requirements for Nonexempt Food Stamp Recipients

	ABAWDs	Other mandatory work registrants
Characteristics	Able-bodied adult without dependents, aged 18-49.	Head of household age 16 or 17, age 50-60, age 18-49 taking care of child over age 6.
Benefits time limit	May only receive food stamp benefits for 3 months out of 36 months if not complying with ABAWD work requirements.*	May receive food stamp benefits as long as they remain eligible and comply with program requirements.
Food Stamp E&T work requirement	20 hours per week of a qualifying activity, working 20 hours per week, any combination of working and participating in a qualifying activity 20 hours per week, or participating in work experience activities.	As assigned by state.
Qualifying activities	Work experience activities, education programs that directly enhance employability, state or local programs aimed at accomplishing the same goals as the Food Stamp E&T Program, participating in a WIA-funded program, self-employment or training for self-employment. Job search in some circumstances, such as within the first month of participation in a work experience activity.	Same as for ABAWDs, but also including job search and job search training.

Source: USDA.

*ABAWDs who have used their 3 months of benefits may regain subsequent eligibility by meeting ABAWD work requirements in a 30-day period. If they fail again to meet work requirements, they receive 3 months of consecutive food stamp benefits and are then no longer eligible for benefits within the 36-month time frame.

Program Funding

Funding for the Food Stamp E&T Program has been provided through a combination of federal grants to states, state funds, and federal matching funds. USDA provides matching funds by reimbursing states 50 percent for their program administrative costs. The agency also reimbursed states for 50 percent of support services—such as participant transportation—up to $12.50 per participant per month.[5] While this basic funding structure is still in place, several changes have been made since the late 1990s. In response to concerns over the ability of ABAWDs to meet the work requirements imposed by PRWORA, the Balanced Budget Act authorized additional federal grant funding each year between 1998 and 2002 for the Food Stamp E&T Program. The additional funding ranged from $31 million in 1999 to $131 million in 1998 and 2001.[6] In order to access this additional funding, the legislation required that states spend the same amount of state funds on their Food Stamp E&T Program that they did in 1996—referred to as a state's maintenance-of-effort. In addition, the legislation required that states spend at least 80 percent of their total federal grant funds on work activities for ABAWDs.

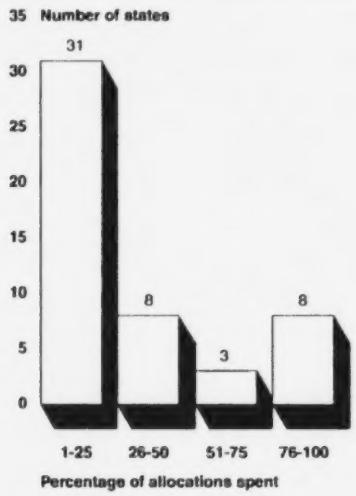
States had the option to expend only 20 percent of their federal funds if they chose not to focus services on ABAWDs. Between 1998 and 2001, states spent 40 percent or less of the federal allocation. In 2001, over half of the states spent 25 percent or less of their federal grant allocation while only eight states spent more than three-fourths of their allocation. (See fig. 1.) These low spending rates may reflect both the rapid decline in the number of ABAWDs participating in the Food Stamp Program, as well as states' decisions about how to structure their programs.[7]

[5]States provide participants with support to help pay for dependent care. The federal government reimburses state Food Stamp E&T Programs for 50 percent of dependent care costs, and states are required to provide dependent care services to eligible participants. However, mandatory Food Stamp E&T participants may be exempted from participating in the program if their work-related monthly expenses exceed the allowable reimbursement amount.

[6]Although the BBA originally provided for $131 million each year, a subsequent provision changed the amount for fiscal year 1999 to $31 million and to $86 million for fiscal year 2000.

[7]See U.S. General Accounting Office, *Food Stamp Program: Implementation of the Employment and Training Program for Able-Bodied Adults Without Dependents*, GAO-01-391R (Washington, D.C.: Feb. 27, 2001).

Figure 1: States' Spending Levels for Food Stamp E&T Program, Fiscal Year 2001

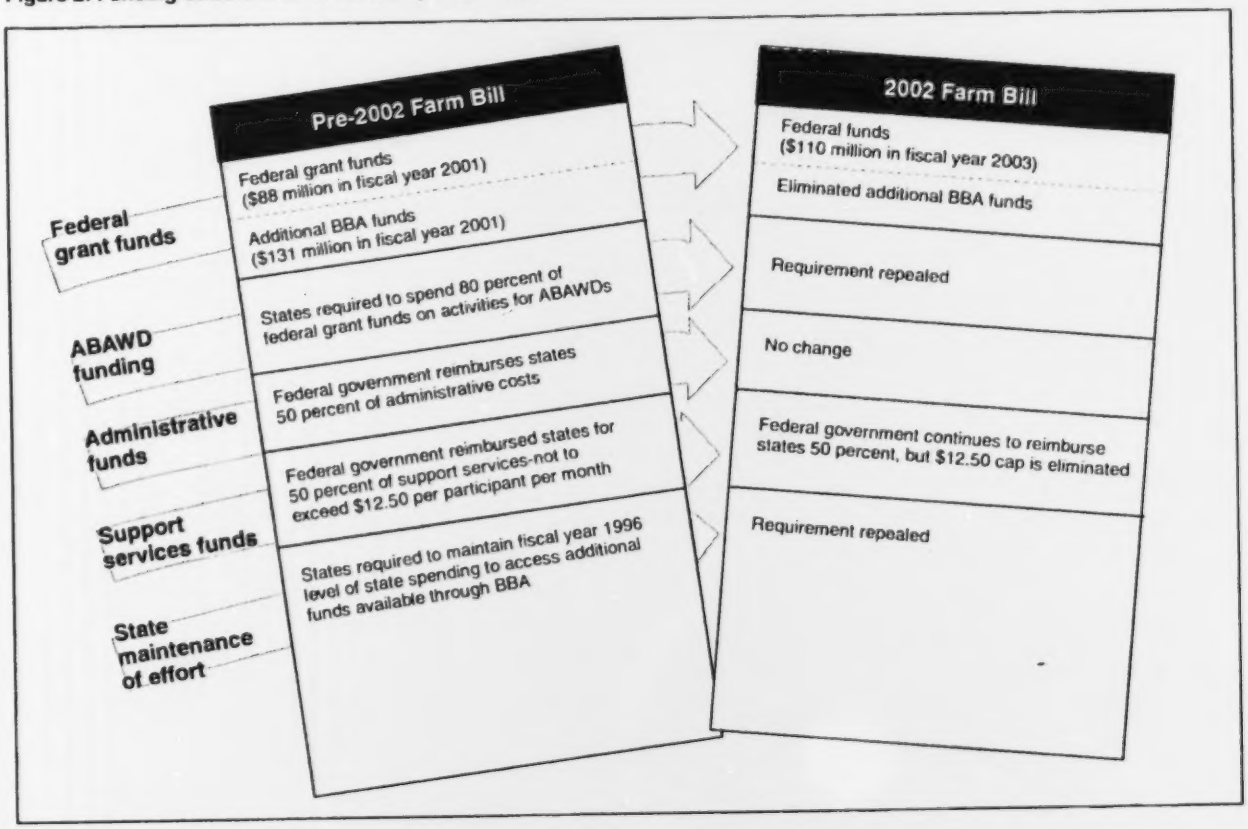


Source: USDA.

Note: GAO analysis based on USDA data.

The 2002 Farm Bill repealed some of the funding provisions enacted by the Balanced Budget Act. The bill eliminated the additional BBA funds for 2002 and provided $90 million for each year between 2002-2007. In addition, the bill provided an additional $20 million in each of these years for states that provide a work activity to every ABAWD who would otherwise be subject to the 3- out of 36-month time limit. Fiscal year 2001 and unspent prior year funds were rescinded, unless states already had obligated them. The Farm Bill also repealed the requirement that states meet their maintenance-of-effort requirement. In addition, states no longer have to spend 80 percent of federal grant funds on work activities for ABAWDs. However, the Farm Bill did not eliminate the 3- out of 36-month time limit for benefits or alter the work requirements for ABAWDs. States continue to receive the 50-percent matching federal funds for program administrative costs, and the Farm Bill eliminated the cap on reimbursements to states for support services, such as transportation, allowing states to be reimbursed for 50 percent of all support service expenses. (See fig. 2.)

Figure 2: Funding Structure for Food Stamp E&T Program


Pre-2002 Farm Bill
2002 Farm Bill
Federal grant funds
Federal grant funds ($88 million in fiscal year 2001)
Additional BBA funds ($131 million in fiscal year 2001)
Federal funds ($110 million in fiscal year 2003)
Eliminated additional BBA funds
ABAWD funding
States required to spend 80 percent of federal grant funds on activities for ABAWDs
Requirement repealed
Administrative funds
Federal government reimburses states 50 percent of administrative costs
No change
Support services funds
Federal government reimbursed states for 50 percent of support services-not to exceed $12.50 per participant per month
Federal government continues to reimburse states 50 percent, but $12.50 cap is eliminated
State maintenance of effort
States required to maintain fiscal year 1996 level of state spending to access additional funds available through BBA
Requirement repealed

Source: USDA.

The Workforce Investment System

The Workforce Investment Act, which was passed in 1998, requires states and localities to coordinate many federally funded employment and training services through a single system, called the one-stop center system. Through one-stop centers, individuals can access a range of services, including job search activities and employment-related activities. WIA mandated that 17 categories of federal employment and training programs across four federal agencies be coordinated through the one-stop system, including three WIA-funded programs—WIA Adult, WIA

Dislocated Worker, and WIA Youth.[8] These programs provide three tiers, or levels, of service for adults and dislocated workers: core, intensive, and training. Core services include basic services such as job searches and labor market information and are available to anyone coming into a one-stop center. These activities may be self-service or require some staff assistance. Intensive services include such activities as comprehensive assessment and case management—activities that require greater staff involvement. Traifiing services include such activities as occupational skills or on-the-job training.

Coordination between the 17 programs generally takes one of two forms: colocation, whereby clients access employment and training services at a local one-stop, or through referrals and electronic linkages to off-site programs. While other employment and training programs, such as TANF and the Food Stamp E&T Program, are not required to be a part of the one-stop system, some states have required localities to include these programs in the one-stop system.

Food Stamp E&T Participants Usually Are Not Served by Other Programs and Have Characteristics That Make Obtaining Employment Difficult

The Food Stamp E&T Program serves a small proportion of the food stamp population who do not usually receive assistance from other programs and who, according to state and local program officials, have characteristics that make them hard to employ. While USDA collects some nationwide data on the food stamp population for quality control purposes, it does not collect the information in a way that allows the agency to distinguish food stamp recipients participating in the Food Stamp E&T Program from recipients who are participating in other employment and training programs, such as TANF or WIA. However, because most food stamp recipients are exempt from food stamp work requirements due to their age or health, the proportion of food stamp recipients potentially served by the Food Stamp E&T Program is small. While nationwide data on the number of and characteristics of Food Stamp E&T participants are not available, state and local officials in the

[8]The WIA Adult, WIA Dislocated Worker, and WIA Youth programs replaced those previously funded under the Job Training Partnership Act. The other programs include Employment Service (Wagner-Peyser), Trade Adjustment Assistance Programs, Veterans' Employment and Training Programs, Unemployment Insurance, Job Corps, Welfare-to-Work Grant-Funded Programs, Senior Community Service Employment Program, Employment and Training for Migrant and Seasonal Farm Workers, Employment and Training for Native Americans, Vocational Rehabilitation Program, Adult Education and Literacy, Vocational Education (Perkins Act), Community Services Block Grant, and HUD-Administered Employment and Training.

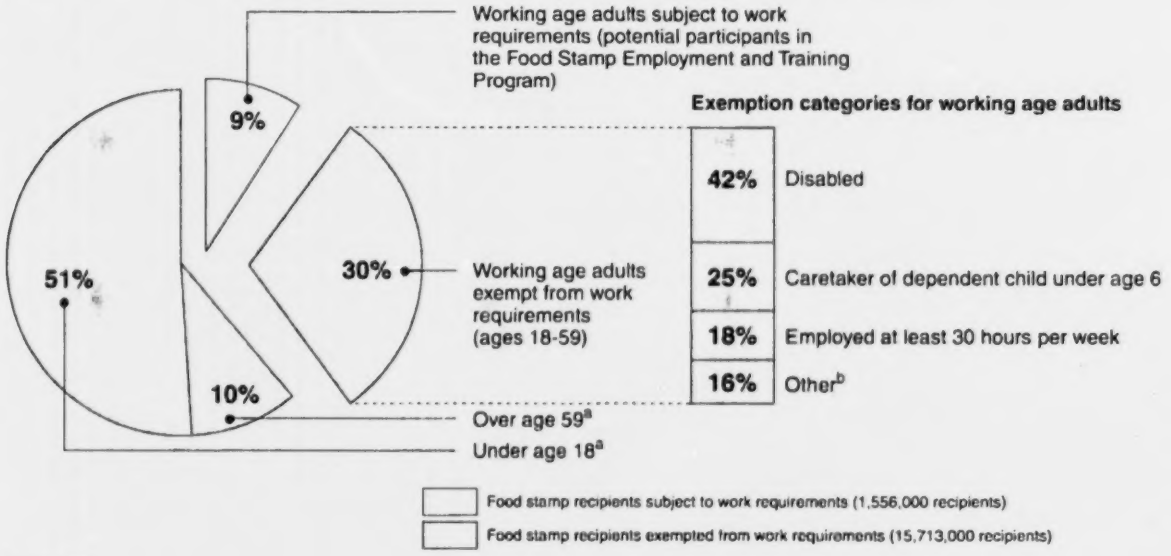
15 states we reviewed described the population as generally hard to employ because they have little education, a limited work history, and are prone to substance abuse problems and homelessness. The officials also noted that many of these characteristics are more prevalent among ABAWDs and that this group is the most difficult to serve and employ.

Food Stamp E&T Participants Are a Small Proportion of the Food Stamp Population and Usually Receive Benefits Only from the Food Stamp Program

Food Stamp E&T participants comprise less than 9 percent of the food stamp population because most food stamp recipients are exempted from work requirements, such as registering for work or participating in the Food Stamp E&T Program. In fiscal year 2001, 91 percent of food stamp recipients were not required to meet work requirements. Over 60 percent were exempted due to their age—most were under 18 or over 59 (see fig. 3). Another 30 percent of food stamp recipients—working age adults—were exempted, over 40 percent of whom were disabled. Other working age adults were exempted because they were caring for a dependent child under age 6 or because they were working at least 30 hours per week. Working age adults may also have been exempted because they were already complying with work requirements of other programs, such as TANF. Food stamp recipients who participate in key federal cash assistance programs—such as TANF, Supplemental Security Income,[9] or Unemployment Insurance Program—are exempt from the Food Stamp E&T Program. As a result, those who participate in the Food Stamp E&T Program generally do not receive any federal public cash assistance other than food stamps.

[9]Supplemental Security Income provides income assistance for aged, blind, or disabled individuals whose income and resources fall below a certain threshold. Unemployment Insurance provides temporary cash benefits to workers who lose their jobs through no fault of their own and requires recipients to enroll in employment services or a job-training program as a condition of eligibility.

Figure 3: Food Stamp Recipients Subject to and Exempt from Work Requirements, Fiscal Year 2001


Working age adults subject to work requirements (potential participants in the Food Stamp Employment and Training Program)
9%
Exemption categories for working age adults
42% Disabled
25% Caretaker of dependent child under age 6
18% Employed at least 30 hours per week
16% Other[b]
30%
Working age adults exempt from work requirements (ages 18-59)
51%
10%
Over age 59[a]
Under age 18[a]
Food stamp recipients subject to work requirements (1,556,000 recipients)
Food stamp recipients exempted from work requirements (15,713,000 recipients)

Source: USDA.

Note: GAO analysis of USDA data. Data excluded for food stamp recipients whose age and work requirement status was unknown. Percents may not add to 100% due to rounding.

[a]Exempt from work requirements due to age.

[b]"Other" category includes working age adults exempted from work requirements because they were complying with work requirements for another program, such as TANF, or were enrolled at least part time in school or a training program.

Not all food stamp recipients subject to work requirements participate in the Food Stamp E&T Program. States have the flexibility to establish their own criteria for selecting which food stamp recipients are referred to the program. As a result of this flexibility, in 17 of the 50 states, according to USDA data, over 80 percent of food stamp recipients who were subject to work requirements—including ABAWDs and other mandatory work registrants—were required to participate in the program. However, 8 states required 20 percent or less to participate. (See fig. 4.)

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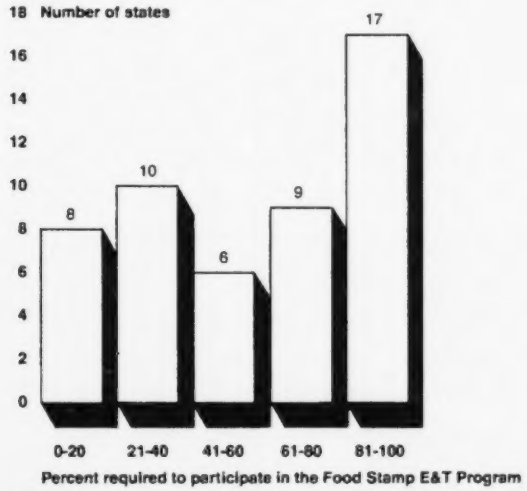
Figure 4: Number of States by Proportion of Food Stamp Recipients Subject to Work Requirements and Who Are Required to Participate in the Food Stamp E&T Program, Fiscal Year 2001



Source: USDA.

Note: GAO analysis of USDA data.

No National Data Exist, but Officials Said Food Stamp E&T Participants Have Many Characteristics That Make Employment Difficult

While USDA collects nationwide data on the food stamp population for quality control purposes, the agency does not collect the information in a way that identifies the specific employment and training program in which food stamp recipients are participating.[10] Although data from the fiscal year 2001 quality control survey indicate that 8 percent of food stamp recipients are participating as mandatory participants in an employment and training program, USDA officials said questions in this survey regarding program participation do not specify a particular program. Rather, questions are general and could refer to the Food Stamp E&T Program or other employment and training programs such as TANF and

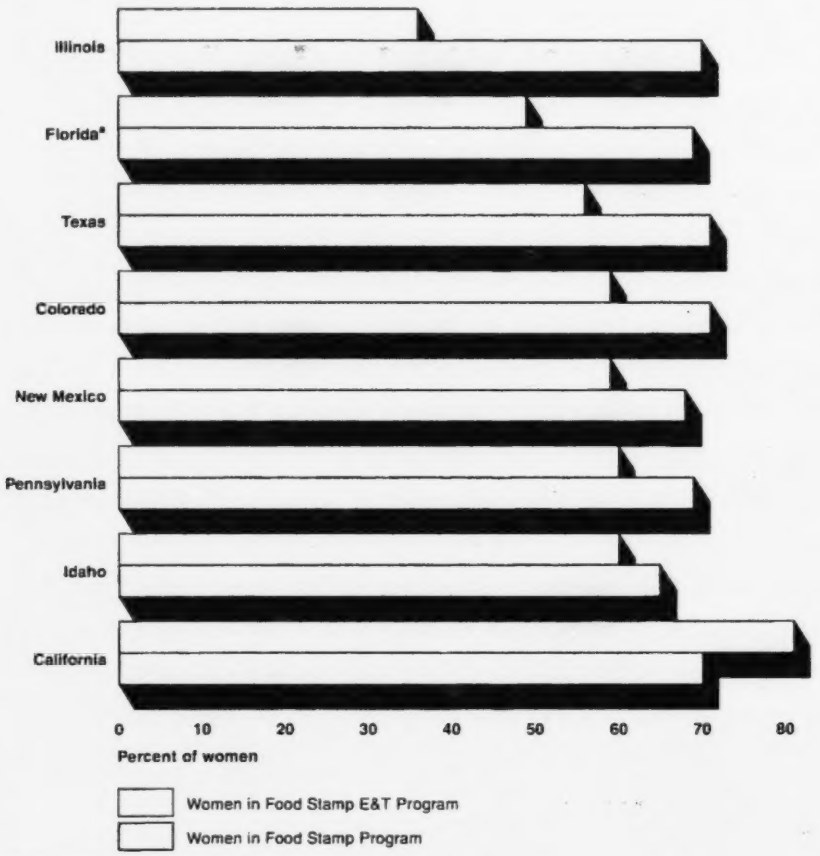
[10]USDA's Quality Control survey is a nationally representative sample of food stamp households selected for review as part of the Food Stamp Program Quality Control System. Data gathered from the quality control survey are used to determine if households are eligible to participate or are receiving the correct benefit amount and if household participation is correctly denied or terminated. The survey also provides detailed demographic and economic information on food stamp participants sampled in each month and is published in FNS' annual report, *Characteristics of Food Stamp Households*.

WIA-funded programs. As a result, the agency is unable to identify food stamp recipients active in the Food Stamp E&T Program from food stamp recipients active in other employment and training programs. This prevents the agency from using the quality control survey to estimate the number or provide characteristics of Food Stamp E&T participants.

While there are no nationwide data on the characteristics of Food Stamp E&T participants, state and local officials we spoke with in all 15 states said their Food Stamp E&T participants have multiple characteristics that make them hard to employ. Officials noted that Food Stamp E&T participants generally have limited education; often they have not completed high school. They also said that program participants frequently have a limited work history and few work skills. They noted that Food Stamp E&T participants often depend on seasonal employment such as tourism-related jobs, and at least one official said that many of their participants rarely hold a job for more than 3 months. Program officials also told us that participants, particularly those in rural settings, often lack transportation, making their continued employment difficult. Finally, officials identified mental health issues, substance abuse, and homelessness as additional characteristics making participants hard to employ. Officials from Colorado estimated, for example, that at least 40 percent of their Food Stamp E&T participants had substance abuse problems and 40 percent were homeless.

In addition to providing anecdotal information on Food Stamp E&T participants, some states were able to provide quantitative data on a limited number of participant characteristics. While not required to collect or report these data to USDA, 8 of 15 states we contacted collected data on the gender, age, or income of Food Stamp E&T participants. In 6 of the 8 states, Food Stamp E&T participants were predominantly women—as were the majority of Food Stamp recipients—(see fig. 5) and data from 5 states show that most of their participants are between the ages of 18 and 40. (See app. I for a comparison of food stamp recipients and Food Stamp E&T participants by age.) Similar to all food stamp recipients, Food Stamp E&T participants generally have very low incomes. Three states provided us with data on participant incomes. Officials from California said the majority of their participants had incomes less than $800 per month, and officials from Colorado and Illinois said most participants have incomes less than $200 per month.

Figure 5: Percent of Women in the Food Stamp Program and Food Stamp E&T Program in Eight States, Fiscal Year 2001



Source: USDA and state data.

Note: GAO analysis of USDA and state data.

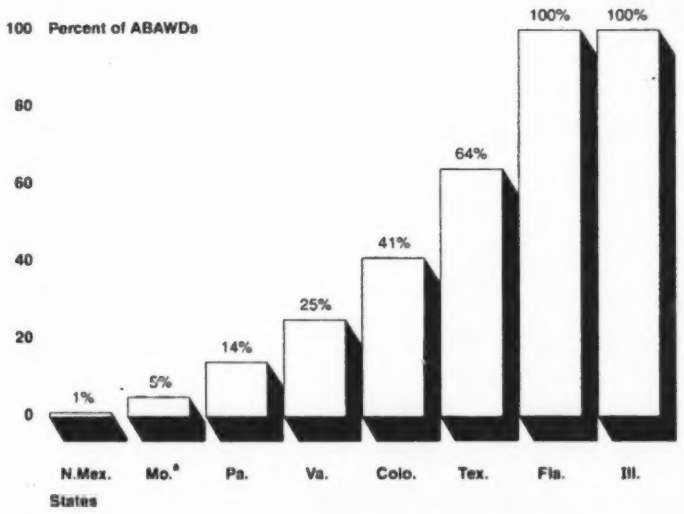
[a]We were unable to obtain unduplicated data for fiscal year 2001 from Florida. To accommodate our request, Florida submitted data for January and July of fiscal year 2001. These months were selected in order to control for seasonal variations. Data from the 2 months were used to project for the entire fiscal year.

Able-Bodied Adults Without Dependents Are Usually the Hardest to Serve and Employ

According to officials from 8 of the 15 states we contacted, ABAWDs—who comprised 4 percent of the food stamp population nationwide in fiscal year 2001—have characteristics that make them the most difficult to serve and employ of all Food Stamp E&T participants. While a nationwide estimate of the number of ABAWDs participating in the Food Stamp E&T Program is not known, 8 states were able to provide data on the proportion of participants who were ABAWDs. The proportion varied greatly from 1 percent in New Mexico to 100 percent in Florida and Illinois. (See fig. 6.) Program officials said that ABAWDs—who are most often men—are more likely to lack basic skills such as reading, writing, and basic mathematics than other food stamp participants. In addition, officials said mental health issues, substance abuse, and homelessness are more prevalent among ABAWDs than other participants. A recent report cites these three characteristics as among the most common barriers to serving ABAWDs.[11] The report also concludes that ABAWDs have less income—earned and unearned—than other food stamp recipients age 18 to 49.

[11]USDA report submitted by Mathematica Policy Research, Inc., *Imposing a Time Limit on Food Stamp Receipt: Implementation of the Provisions and Effects on Food Stamp Program Participation*, Volume I, Final Report, (Sept. 4, 2001).

Figure 6: Proportion of ABAWDs in the Food Stamp E&T Program in Eight States, Fiscal Year 2001



Source: State data.

[a]We were unable to obtain unduplicated data for fiscal year 2001 from Missouri. To accommodate our request, Missouri submitted data for January and July of fiscal year 2001. These months were selected in order to control for seasonal variations. Data from the 2 months were used to project for the entire year.

While the characteristics that make Food Stamp E&T participants hard to employ are more pronounced among ABAWDs, this group also presents unique challenges that add to the difficulties of serving them. First, ABAWDS are usually transient and, as a result, often only participate in the program for short durations. Moreover, officials also said ABAWDs are often unwilling to participate and frequently fail to show up for appointments. Some officials suggested that this unwillingness to participate stems partly from ABAWDs' perception that their benefit level—an average of $118 of food stamp benefits per month—is too low to warrant participation in the program.

Officials we spoke with and a recent report[12] note that monitoring the activities of ABAWDs has been difficult due to the complexities of program requirements. For example, in order to determine whether

[12]Ibid.

ABAWDs may continue to receive food stamp benefits, states track ABAWDs to ensure that they are engaged in a qualifying work activity. ABAWDs may only receive benefits for 3 out of 36 months if they are not engaged in a qualifying work activity. Program officials said these requirements, in combination with ABAWDs' sporadic participation in the program and reluctance to participate, discourage states from using their Food Stamp E&T resources to serve these individuals. In 2001, 25 states spent 20 percent or less of their federal grant allocation. Eight of the 25 states chose not to serve ABAWDs and as a result, were limited to spending only 20 percent of their federal grant funds. The other 17 states also spent 20 percent or less but may have served ABAWDs as well as other mandatory participants. While the 2002 Farm Bill removed the requirement that states spend 80 percent of federal grant funds on work activities for ABAWDs, states must still track ABAWD compliance with the 3- out of 36-month time limit.

Most States Provide Case Management Services and a Range of Employment and Training Activities

States provide Food Stamp E&T participants with case management services and offer some support services, such as transportation assistance. While states may provide participants with a range of employment and training activities, in 2001, states most often placed participants in job search and work experience. Other programs that serve low-income populations, such as TANF and the WIA Adult Program, provide similar activities. Legislative changes in the 2002 Farm Bill, however, may affect services that states provide to Food Stamp E&T participants.

Most States Provide Case Management and Some Support Services

According to USDA officials, most states provide Food Stamp E&T participants with case management services. Case management services may include assessing a participant's needs, developing an employment plan, or helping participants' access services provided by other programs. For example, one state official told us that case managers work with participants and local housing organizations to help find shelter for the participants or get mental health services so they are ready to go to work. Case managers also work with Food Stamp E&T participants to help them access support services—services that provide assistance with transportation and work or education-related expenses. USDA data show

that in fiscal year 2001 45 states provided transportation funds to Food Stamp E&T participants.[13]

In addition to basic transportation and other services paid for in part with federal grant funds, program officials told us some local Food Stamp E&T Programs provide participants with additional support services. Some local programs use state funds or coordinate with community-based organizations to obtain other services for participants. For example, one local Food Stamp E&T Program provides bicycles donated by a community-based organization to some participants who need transportation to get to work, while another provides basic hygiene products, such as soap and shampoo, because food stamp recipients may not use food stamp benefits to buy these products.

States Assign Participants to a Range of Employment and Training Activities

While most Food Stamp E&T participants receive case management services, they also may engage in a range of employment and training activities to qualify for food stamp benefits. These include job search, job search training, work experience, education, and vocational training. Participants may also enroll in WIA or a Trade Adjustment Act-funded program.[14] Job search activities may include self-directed or staff-assisted activities. Job search training activities include job skills assessment and participation in job clubs, wherein participants meet with other job seekers and local employers to obtain information on the jobs available in the area and assistance in marketing their skills. Participants engaged in work experience activities are required to work without pay in exchange for food stamp benefits. Education activities may include literacy training, high school equivalency programs, or postsecondary education, while vocational training provides skill-related training.

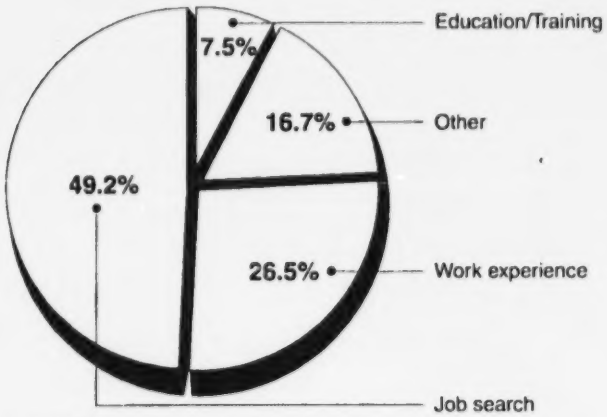
While USDA does not require states to report individual participant activities, it does collect data on the number of participants placed in each activity. In fiscal year 2001, 40 of the 50 states provided data to USDA for

[13]In addition, in fiscal year 2001, 34 states did not spend any money on dependent care. Of the remaining 16 states, all but 2 spent less than $150,000.

[14]The WIA or Trade Adjustment Assistance programs may provide classroom training in occupational skills, on-the-job training in subsidized employment, worker training, or adult education classes. The Trade Adjustment Assistance Program provides worker training and readjustment assistance to workers who have become unemployed due to plant closings.

participant employment and training activities.[15] The data show that case managers most frequently assigned Food Stamp E&T participants to job search activities, including job search and job search training. (See fig. 7.) However, while job search accounted for about 49 percent of participant activities, the extent to which states provided job search activities varied. (See fig. 8.) For example, 2 states did not report offering any job search activities to participants, while in 11 of the 40 states, job search activities accounted for almost all of participant activities. (See app. II for a complete listing of the percent of program activities provided to participants.)

Figure 7: Proportion of Activities Engaged In by Food Stamp E&T Participants, Fiscal Year 2001

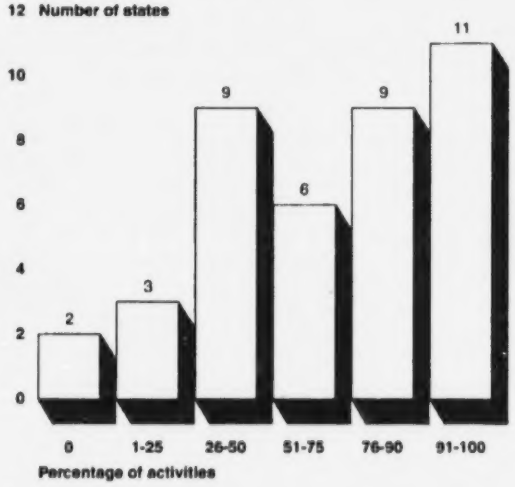


Source: USDA.

Note: GAO analysis of data provided by 40 states to USDA.

[15]While federal regulations require states to provide USDA with the number of participants placed in each employment and training component offered by the state, USDA reported that only 40 states provided these data in fiscal year 2001. A USDA official noted that the agency plans to work with states to ensure the data are reported.

Figure 8: Proportion of Job Search Activities Provided by States, Fiscal Year 2001

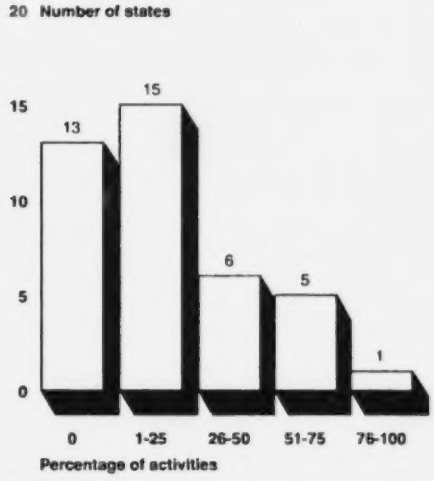


Source: USDA.

Note: GAO analysis of data provided by 40 states to USDA.

Work experience activities accounted for about a quarter of all Food Stamp E&T activities in fiscal year 2001. In six states, work experience activities accounted for over half of all activities. (See fig. 9.) Participants may engage in work experience activities with either public or private employers. In Texas, all work experience positions were with public employers—city, county, or state government. In Colorado, participants had the option of working with either a private nonprofit or public employer. Thirteen states did not offer any work experience activities to participants.

Figure 9: Proportion of Work Experience Activities Provided by States, Fiscal Year 2001

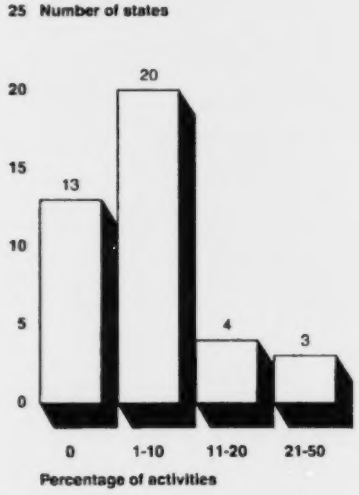


Source: USDA.

Note: GAO analysis of data provided by 40 states to USDA.

Food Stamp E&T participants are engaged in education and training activities much less often than in job search or work experience activities. In fiscal year 2001, education and training activities accounted for about 8 percent of participant activities. Education and training activities for Food Stamp E&T participants include vocational education classes, adult basic education classes, English as a second language classes, high school equivalency preparation, or participation in a WIA-funded program. The extent to which states provided education and training activities varied across states. In Pennsylvania, for example, education and training activities accounted for almost half of Food Stamp E&T participants' activities, while in 13 states, participants did not receive any of these activities (see fig. 10).

Figure 10: Proportion of Education and Training Activities Provided by States, Fiscal Year 2001



Source: USDA.

Note: GAO analysis of data provided by 40 states to USDA.

State and local officials we spoke with had a range of views on which activities were more likely to help Food Stamp E&T participants get jobs. Officials from five states told us that participants in their program are more likely to find jobs while enrolled in job search, while officials from eight states told us that in their experience, participants who receive a combination of services tailored to their individual needs are more likely to find jobs. However, officials in two states told us Food Stamp E&T participants may be reluctant to enroll in education and training activities because they want to get a job immediately and are not interested in training. In addition, a few officials told us they would like to offer more education and training options to participants but lacked the funding to support it.

Other programs that serve low-income individuals and families also offer education and training activities, in addition to services similar to those provided by the Food Stamp E&T Program. For example, in fiscal year 2000, almost half of TANF participants were enrolled in work experience

activities, over 40 percent were enrolled in job search activities,[16] and over 20 percent were enrolled in education and training activities.[17] Some of the WIA Adult Program's core services are the same as those provided to Food Stamp E&T participants, such as job search. However, services offered under WIA Adult intensive and training tiers involve greater staff involvement and provide more comprehensive activities than those provided under the core tier. Fifty-five percent of participants enrolled in the WIA Adult Program in program year 2000 (July 2000 to June 2001) participated in intensive and training activities. Other WIA Adult participants receiving intensive and training services may be receiving skills assessment, individualized counseling and case management, and short-term prevocational services, such as computer training.

Legislative Changes May Affect Services Provided to Participants

Legislative changes enacted by the 2002 Farm Bill may affect the services that states provide to program participants by reducing the total amount of Food Stamp E&T federal funds available to states to $110 million—or $274 million lower than funds they had available in fiscal year 2001.[18] As a result, most states will receive a smaller allocation in 2003 than they received in 2001, although 4 states will receive a greater allocation, in part due to changes in USDA's funding formula.[19] However, this funding decrease may have a greater impact on some states than others because not all states have been spending a large proportion of their federal grant allocation. For example, in 2001, more than half of the states spent less than 25 percent of their allocation, while only 8 states spent more than

[16]Unsubsidized work counts as a qualifying activity for TANF participants. Food Stamp participants engaged in unsubsidized work at least 30 hours per week are exempt from participating in the Food Stamp E&T Program. In order to compare similar subsets of the Food Stamp E&T and the TANF activities, we excluded unsubsidized work activities for TANF participants and calculated percentages based on the remaining activities.

[17]Participants may be enrolled in more than one activity.

[18]In fiscal year 2001, $88 million in federal grants, about $126 million in BBA funds, and about $170 million in carryover funds from prior years were available to the states. The 2002 Farm Bill rescinded carryover funds from any fiscal year before fiscal year 2002, unless obligated by a state agency before that date.

[19]USDA allocated fiscal year 2001 federal grant funds based on the number of ABAWDs in a state, as determined by 1996 quality control data—adjusted over time for caseload changes. USDA allocated fiscal year 2003 federal grant funds based on the number of ABAWDs in a state as determined by the 2001 Mathematica study; the number of work registrants determined by fiscal year 2001 quality control data; and the number of work registrants in fiscal year 2001 based on state data submitted to USDA. USDA fiscal year 2003 allocations assume full funding for the Food Stamp E&T Program.

75 percent. As a result of the funding decrease and states' varied spending rates, about one-third of the states will receive a smaller allocation in 2003 than they spent in 2001. (See app. III for a comparison of what states spent in fiscal year 2001 and their allocations in fiscal years 2001 and 2003.) However, because the Farm Bill also eliminated the requirement that states reserve 80 percent of federal grant funds for activities for ABAWDs, states may choose to spend as much of their federal allocation as they did before the requirement became effective in 1998. For example, in 1997, 46 states spent more than 75 percent of their allocation, with states spending 94 percent of the total federal allocation.

Services Are Delivered through a Variety of Local Entities and Are Not Necessarily Linked to Other Employment and Training Programs

In 13 of the 15 states we contacted, the agency that administers the TANF block grant also oversees the Food Stamp E&T Program; in the 2 other states, the Food Stamp E&T Program is administered by the workforce development system. However, services are provided through a variety of local entities, including welfare offices and one-stop centers. While all but 1 of the states we contacted delivered at least some of their Food Stamp E&T services at the one-stops, the extent to which states use the one-stops to deliver these services varies considerably. For example, in Virginia, only two Food Stamp E&T Programs are colocated at the one-stops. In other counties, services are delivered at welfare offices. In Colorado, about one-third of the counties that provide Food Stamp E&T services—primarily the larger counties—deliver their Food Stamp E&T services through the one-stops. Other counties in Colorado deliver services through local welfare agencies or community-based organizations, such as Goodwill Industries. In Texas, the state's workforce commission administers the Food Stamp E&T Program, and all program services statewide are delivered through the one-stop system.

Food Stamp E&T participants may receive job search services through the one-stop centers, but according to many local program officials, few participants receive other services from employment and training programs available at the centers, such as the WIA Adult Program. In Pennsylvania, Food Stamp E&T participants are referred to the one-stops for job search activities,[20] and in Vermont, almost all participants receive WIA-funded core services through the one-stop system. These services may include job search activities but may also include a preliminary

[20]In addition to one-stop centers, Pennsylvania has job service centers that provide job search services but have not yet been certified as one-stop centers.

assessment of skills and needs. Most state officials told us that they did not collect data on how many Food Stamp E&T participants were referred to or received services from other employment and training programs at the one-stops. However, local officials in 10 of the 15 states told us that few, if any Food Stamp E&T participants actually receive services from other employment and training programs at the one-stops, and a few provided estimates. For example, a local official in New Mexico estimated that his office referred about one-fourth of its Food Stamp E&T participants to the WIA Adult Program in any given year, but less than half of these are actually enrolled in the program. Local officials in Idaho, by comparison, said that while about one-third of their Food Stamp E&T participants are referred in any given year, only about 2 percent are enrolled in WIA-funded intensive or training services.[21] A Food Stamp E&T administrator in Michigan told us that, even though the Food Stamp E&T Program is colocated at a one-stop center in his county, the center served only three or four clients a year.

Program officials cited several reasons that Food Stamp E&T participants may not receive services from other employment and training programs. Officials from eight of the states we spoke with suggested that local WIA staff might be reluctant to provide WIA-funded intensive and training services to a population less likely to get and keep a job—such as those in the Food Stamp E&T Program—out of concern that they would adversely affect their performance as measured under WIA. While job seekers who receive core services that are self-service in nature are not included in these performance measures, participants enrolled in WIA-funded intensive or training programs are tracked in areas such as job placement, retention, and earnings change. WIA established these performance measures, and states are held accountable by the U.S. Department of Labor for their performance in these areas. If states fail to meet their expected performance levels, they may suffer financial sanctions; if states meet or exceed their levels, they may be eligible to receive additional funds.

While employment and training programs at the one-stops offer some of the activities that Food Stamp E&T participants need, officials from 12 of the 15 states we contacted told us that most participants are not ready for

[21]WIA intensive services include such activities as comprehensive assessment, case management, creation of an individual employment plan, and short-term prevocational services that prepare individuals for employment or training. Training services include such activities as occupational skill, on-the-job training, and literacy classes.

these activities, in part, because they lack basic skills (such as reading and computer literacy) that would allow them to successfully participate. Officials from 5 states also noted that mental health problems often prevent Food Stamp E&T participants from participating in other more intensive employment and training programs at the one-stops. Program officials told us participants often need specialized case management services that might not be available from other program staff.

Despite concerns about performance measures and the skill level of Food Stamp E&T participants, program officials from all 15 states we contacted cited advantages to colocating the Food Stamp E&T Program at the one-stops. The most frequently cited advantage was that Food Stamp E&T participants would benefit from having access to a broader array of employment and training services. In addition, officials from 9 of the states noted that colocation would provide a better use of program resources and staff, and program officials from 8 states said that the one-stops offer a more positive environment—one focused more on work and training than might be found in local welfare offices. Finally, officials from 7 states said that for those who may lack transportation, colocation of services would be advantageous.

Little Is Known about What the Program Achieves

Little information is available about whether the Food Stamp E&T Program is effective in helping participants get and keep a job. Although USDA does not require the reporting of outcome data, 7 of the 15 states we contacted collected data in fiscal year 2001 on job placements, and 2 of these states also collected data on wages. Their job placement rates ranged from 15 percent in one state to 62 percent in another,[22] and the average starting wages reported by the 2 states was about $7.00 per hour or about $1.91 above the federal minimum wage.

In the late 1980s, USDA developed outcome measures for the Food Stamp E&T Program, but these measures were not implemented because of concerns among state and federal officials regarding the feasibility of

[22]We calculated job placement rates in these seven states based on data provided to us by the states or data contained in a state's 2002 Food Stamp E&T plan. For five states, job placements included those individuals entering full-time and part-time employment. In another state, job placements were collected monthly, but state officials told us that individuals could be counted in more than one month. In order to minimize counting job placement of individuals more than once, we estimated job placements based on 2 months—January and July. These months were selected in order to control of seasonal variations. And, one state only provided data for three- quarters of fiscal year 2001.

collecting outcome data. In 1988, the Hunger Prevention Act directed the Secretary of Agriculture to work with states and other federal agencies to develop outcome-based performance standards for the program. The proposed measures included a targeted job placement rate (25 percent of those completing Food Stamp E&T activities) and a targeted average starting wage of $4.45—about the same as the minimum wage in the early 1990s.[23] FNS published the proposed performance standards in 1991. According to USDA officials, reaction to implementing the proposed standards was overwhelmingly negative, with a consensus among state and federal officials that data collection would impose an unreasonable burden on state agencies and that the costs associated with collecting the data would be disproportionate relative to the program's funding. The mandate to collect outcome data was subsequently removed from the legislation in 1996.

Outcome measures became a much greater factor in how agencies assess the effectiveness of their programs with the passage of the 1993 Government Performance and Results Act (GPRA). GPRA shifted the focus of accountability for federal programs from inputs, such as staffing and activity levels, to outcomes. GPRA requires that each federal agency develop a multiyear strategic plan identifying the agency's mission and long-term goals and connecting these goals to program activities. In addition, the President's 2004 Budget contains increased emphasis on performance and management assessments, including a focus on short-term and long-term performance goals and the need to track performance data in order to assess a program's achievements. For example, the Office of Management and Budget expects agencies to submit performance-based budgets in 2005 and is requiring that many adult employment and training programs (25) collect performance data in four areas-job placements, job retention, earnings gained, and program cost per job placement. This focus may lend new urgency for programs to collect outcome data.

While outcome measures are an important component of program management in that they assess whether a participant is achieving an intended outcome—such as obtaining employment—they cannot measure whether the outcome is a direct result of program participation. Other influences, such as the state of the local economy, may affect an

[23]See Office of Technology Assessment, *Performance Standards for the Food Stamp Employment and Training Program, Office of Technology Assessment*, OTA-ITE-526, (Washington, D.C.: Feb.1992) for a comprehensive discussion of the proposed measures.

individual's ability to find a job as much or more than participation in an employment and training program. Many researchers consider impact evaluations to be the best method for determining the effectiveness of a program—that is, whether the program itself rather than other factors leads to participant outcomes.[24]

In 1988, USDA commissioned an impact study to determine the effectiveness of the Food Stamp E&T Program and found that those required to enroll in the program did not fare any better, in terms of employment or wages, than those excluded from participating. While the study found that those required to enroll in the program increased their employment and earnings during the 12 months after certification for food stamp benefits, it found no difference between that group and those not required to participate. The study notes, however, that only 43 percent of those required to participate actually received employment and training activities in 1988 and that the services received by the program participants consisted primarily of referrals to job search activities.[25]

According to USDA officials, the agency has no plans to conduct another effectiveness evaluation of the Food Stamp E&T Program. They noted that the program is not a research priority for the agency's food and nutrition area, and no mention of the program is noted in FNS's strategic plan. They also noted that the cost of an evaluation might not be warranted, given the limited funding for the program.[26] Federal funding for the program (including reimbursements for administrative costs) is small compared with other programs—averaging about $172 million per year between 1994 and 2001—compared to about $3.8 billion for WIA programs in fiscal

[24]While GPRA does not require agencies to conduct formal program evaluations such as impact evaluations, it does require agencies to summarize the findings of program evaluations in their annual performance reports.

[25]See *Evaluation of the Food Stamp Employment and Training Program: Abt Associates, Washington, D.C.: June 1990.* The study compared outcomes for individuals randomly assigned either to a group required to enroll in the program or one that was excluded from participating in the program. The study did not control for the receipt of employment and training services from other programs for those not participating in the Food Stamp E&T Program. Thirty-one percent of those excluded from participating in the program received employment and training services from other programs.

[26]Some types of evaluations tend to be less expensive and time-consuming than others and still provide some indication of program impact. See U.S. General Accounting Office, *Early Childhood Programs: The Use of Impact Evaluations to Asses Program Effects,* GAO-01-542 (Washington, D.C.: Apr. 16, 2001) for a discussion of different types of impact evaluations. Also, see OTA-ITE-526.

year 2001. However, the federal government and the states have spent over $2 billion since 1994 on the Food Stamp E&T Program without any nationwide data documenting whether the program is helping its participants.

While impact evaluations may be expensive and complex to administer, they are being used to assess the effectiveness of some federal programs. For example, the Department of Health and Human Services (HHS) is conducting evaluation studies on early childhood programs, and the Department of Labor recently evaluated the impact of the Job Corps program on student employment outcomes.[27] In addition, both of these agencies are conducting research over the next 5 years that focuses on strategies to assist the hardest-to-serve, but they do not include the Food Stamp E&T population. HHS is commissioning an evaluation of programs that serve the hard-to-employ low-income parents, in part, to determine the effects of such programs on employment and earnings. And, Labor has plans to examine the most effective strategies for addressing employment barriers such as substance abuse and homelessness.

Conclusions

The Food Stamp E&T Program was established to help some food stamp recipients get a job and reduce their dependence on food stamps. For many Food Stamp E&T participants—who often lack the skills to be successful in other employment and training programs and who usually are not eligible for most other federal assistance programs—this program is the only one focused on helping them enter the workforce. But little is known at any level—federal, state, or local—about whether the program is achieving this goal. Little nationwide data exist to tell us who is participating or if they are getting a job. Even less is known about whether the services provided by the program make a difference in program outcomes. With limited knowledge of whom the program is serving, what outcomes the program is achieving, or whether program services are making a difference, it is difficult to make informed decisions about where to place limited employment and training resources. Given recent legislative changes that reduce most states' funds, while allowing more discretion as to whom they serve, it may be even more essential to understand what works and what does not. While the Food Stamp E&T Program is small relative to other federal employment and training

[27]See Department of Labor report submitted by Mathematica Policy Research, Inc., *Does Job Corps Work? Summary of the National Job Corps Study*, June 2001.

programs, wise investment of these resources could help reduce long-term spending on food stamp benefits.

Recommendations for Executive Action

To help USDA better understand who the Food Stamp E&T Program is serving, what the program is achieving, and whether the program is effective, we recommend that USDA do the following:

- Use its quality control survey to collect nationwide estimates on the number of food stamp recipients participating in the Food Stamp E&T Program and their characteristics, such as age and gender. To do so, USDA should clarify its instructions for reporting the data so that states clearly identify which food stamp recipients are in the Food Stamp E&T Program.
- Establish uniform outcome measures for the Food Stamp E&T Program and require states to collect and report them.
- Work with the Department of Labor and/or the Department of Health and Human Services on a research agenda that will allow for an evaluation of the effectiveness of the Food Stamp E&T Program.

Agency Comments and Our Evaluation

We provided a draft of this report to USDA for comment. While FNS did not provide written comments, FNS officials provided us with oral comments on the draft, including technical changes, which we incorporated where appropriate.

FNS generally agreed with the benefit of collecting more data on the Food Stamp E&T Program; however, the agency had concerns that the potential benefits of more data may not be worth the effort or cost. Regarding our recommendation for more data on whom the program is serving, FNS said that because the Food Stamp Quality Control survey collects information from only a sample of food stamp households—and that individuals participating in the Food Stamp E&T Program would comprise a small percentage of those included in the sample—the data collected would be of limited use at the state level. While we agree that characteristic data gathered from the survey may not be useful at the state level, the survey could provide a cost-effective means to obtain nationwide data that are currently not available and would allow FNS to better understand the population that the program is serving.

While FNS agreed with the need to assess what the Food Stamp E&T Program is achieving, agency officials expressed concerns regarding the cost of implementing our recommendation related to outcome data. Specifically, the officials are concerned that states will find it overly burdensome to collect outcome data given the limited funding for this

program and that costs associated with collecting these data might reduce funding available for program participants. The officials noted that other employment and training programs that collect outcome data, such as WIA-funded programs, are funded at much higher levels than the Food Stamp E&T Program and that costs associated with collecting data for these programs might not be as onerous as for the Food Stamp E&T Program.

We considered the costs associated with collecting outcome data and while we agree that collecting data will entail additional administrative costs for the states, we believe that the benefits of collecting uniform outcome measures outweigh the costs to states. Having some measures of what the program is achieving is necessary for FNS and state administrators as they strive to improve program services—about half of the states we contacted already collect some data on program performance. In addition, outcome data provide the Congress with key information necessary to evaluate the effectiveness of federal employment and training programs. Many federal employment and training programs, including ones that have funding levels similar to the Food Stamp E&T Program, have integrated outcome measures into the administration of their programs. The emphasis on performance evaluation is reflected in the President's 2004 Budget and the Office of Management and Budget's requirement that agencies submit performance-based budgets and that employment and training programs collect uniform performance data.

Finally, FNS reiterated that given its limited research funds and other high-priority research areas, evaluation of the Food Stamp E&T Program is not a research priority for the agency at this time. However, regarding our recommendation concerning the feasibility of an effectiveness evaluation, FNS acknowledged the usefulness and cost-effectiveness of working with other agencies that are evaluating employment and training services for hard-to-serve populations.

We are sending copies of this report to the Secretary of Agriculture, appropriate congressional committees, and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on GAO's Web site at

http://www.gao.gov. Please contact me at (202) 512-7215 if you or your staff have any questions about this report. Other major contributors to this report are listed in appendix IV.

Sigurd R. Nilsen
Director, Education, Workforce,
Income Security Issues

Appendix I: Percent of Participants in the Food Stamp and Food Stamp E&T Program by Age in Five States, Fiscal Year 2001

	18– 40 years		41– 50 years		51 – 60 years	
State	Food Stamp recipients	Food Stamp E&T participants	Food Stamp recipients	Food Stamp E&T participants	Food Stamp recipients	Food Stamp E&T participants
California	22	79	7	14	3	6
Colorado	26	67	9	24	6	9
Idaho	29	76	7	18	6	6
Pennsylvania	27	62	10	23	7	15
Texas	25	63	6	29	4	8

Source: USDA and state data.

Note: GAO analysis of USDA and state data.

Appendix II: Percent of Food Stamp E&T Activities Provided to Program Participants, Fiscal Year 2001

	Job search		Work experience		Education/training					
State	Job search	Job training	Work experience	Workfare	Basic education	WIA	Vocational education	GED[a]	ESL[b]	Other[c]
Alabama	54.2%		43.5%		2.4%					
Alaska[d]										
Arizona	46.8%		49.5%		3.6%					
Arkansas										100.0%
California	35.2%			59.0%	0.4%		3.2%			2.2%
Colorado	12.3%	1.9%		74.3%	11.5%					
Connecticut[d]										
Delaware	40.0%			33.4%		26.5%				
Florida	64.1%	17.8%	13.4%	4.7%						
Georgia[d]										
Hawaii[d]										
Idaho[d]										
Illinois	33.7%	0.4%	12.8%	53.1%						
Indiana[d]										
Iowa	96.0%				4.0%					
Kansas	60.7%	21.4%	3.4%		11.2%		3.4%			
Kentucky[d]										
Louisiana	84.5%			11.4%	3.0%	1.2%				
Maine	19.4%		4.7%	0.6%			5.3%			70.0%
Maryland	47.1%	19.3%	23.3%	9.6%			0.7%			
Massachusetts	100.0%									
Michigan	49.1%			1.2%		3.1%				46.6%
Minnesota	95.1%			0.1%			4.9%			
Mississippi[d]										
Missouri	70.4%	23.2%			6.4%					
Montana	30.7%			69.3%						
Nebraska	100.0%									
Nevada[d]										
New Hampshire	57.4%			36.5%	6.1%					
New Jersey	80.5%	1.1%	14.4%				4.0%			
New Mexico	54.9%		8.7%		12.1%		5.4%			18.9%
New York	25.9%	21.9%	49.6%		0.0%		0.7%			
North Carolina	97.5%				1.7%	0.8%				
North Dakota		100.0%								
Ohio	16.0%	10.2%		73.7%						
Oklahoma	95.3%	1.6%								3.2%
Oregon	82.0%	7.2%		5.4%			1.2%			4.3%
Pennsylvania	29.3%		2.9%				24.3%	16.5%		27.0%
Rhode Island	100.0%									
South Carolina[d]										

	Job search		Work experience		Education/training					
State	Job search	Job training	Work experience	Workfare	Basic education	WIA	Vocational education	GED[a]	ESL[b]	Other[c]
South Dakota	89.7%			4.9%	4.8%					0.6%
Tennessee				91.4%	6.2%	1.7%	0.2%			0.6%
Texas	69.0%	0.7%	0.7%				0.4%			29.2%
Utah	53.1%	46.9%								
Vermont	67.3%	3.8%	2.1%		18.5%					
Virginia	76.1%	11.0%	5.9%		7.0%					
Washington	80.4%			17.4%	2.2%					
West Virginia	79.2%		11.5%		5.0%		4.0%			0.3%
Wisconsin		1.5%					26.3%		4.2%	68.0%
Wyoming	100.0%									

Source: USDA.

[a]High school equivalency preparation.

[b]English as a second language class.

[c]State or local programs, or post-secondary education.

[d]Data not provided by state to USDA.

Appendix III: Food Stamp E&T Expenditures and Allocations, by State, Fiscal Years 2001 and 2003

	Fiscal year 2001			Fiscal year 2003		
States	Federal grant allocation	Total expended	Percent expended	Federal grant allocation	Difference between FY01 allocation and FY03 allocation	Percent difference between FY01 expenditure and FY03 allocation
Alabama	$10,034,322	$1,207,314	12%	$2,376,356	($7,657,966)	49%
Alaska	$122,836	$75,362	61%	$376,570	$253,734	80%
Arizona	$2,702,908	$531,585	20%	$2,500,167	($202,741)	79%
Arkansas	$1,800,456	$156,089	9%	$2,866,326	$1,065,870	95%
California	$31,392,037	$31,392,037	100%	$7,113,981	($24,278,056)	-341%
Colorado	$1,922,995	$1,485,235	77%	$883,485	($1,039,510)	-68%
Connecticut	$7,303,021	$530,019	7%	$1,360,403	($5,942,618)	61%
Delaware	$675,060	$125,418	19%	$430,834	($244,226)	71%
Florida	$14,090,723	$5,269,877	37%	$4,714,894	($9,375,829)	-12%
Georgia	$13,514,401	$1,533,012	11%	$2,304,569	($11,209,832)	33%
Hawaii	$2,283,025	$865,599	38%	$431,163	($1,851,862)	-101%
Idaho	$623,864	$155,822	25%	$359,623	($264,241)	57%
Illinois	$13,514,991	$11,811,556	87%	$5,431,414	($8,083,577)	-117%
Indiana	$8,475,166	$2,241,437	26%	$1,839,092	($6,636,074)	-22%
Iowa	$2,932,944	$628,740	21%	$527,708	($2,405,236)	-19%
Kansas	$1,078,510	$215,702	20%	$613,691	($464,819)	65%
Kentucky	$1,350,998	$338,803	25%	$3,143,729	$1,792,731	89%
Louisiana	$7,260,021	$1,092,506	15%	3,546,976	($3,713,045)	69%
Maine	$4,662,038	$318,251	7%	$359,380	($4,302,658)	11%
Maryland	$5,233,404	$449,287	9%	$1,114,743	($4,118,661)	60%
Massachusetts	$2,260,884	$694,564	31%	$680,346	($1,580,538)	-2%
Michigan	$39,667,524	$6,909,189	17%	$6,830,663	($32,836,861)	-1%
Minnesota	$5,098,070	$975,406	19%	$1,247,911	($3,850,159)	22%
Mississippi	$6,503,087	$1,401,446	22%	$1,523,416	($4,979,671)	8%
Missouri	$13,394,447	$1,093,205	8%	$1,803,099	($11,591,348)	39%
Montana	$726,007	$637,280	88%	$313,204	($412,803)	-103%
Nebraska	$1,276,662	$303,506	24%	$506,145	($770,517)	40%
Nevada	$1,034,942	$158,750	15%	$444,404	($590,538)	64%
New Hampshire	$231,704	$152,593	66%	$217,301	($14,403)	30%
New Jersey	$17,354,702	$12,843,910	74%	$2,014,694	($15,340,008)	-538%
New Mexico	$4,342,711	$298,661	7%	$637,470	($3,705,241)	53%
New York	$34,489,209	$6,577,761	19%	$13,197,206	($21,292,003)	50%
North Carolina	$15,044,030	$361,647	2%	$1,906,854	($13,137,176)	81%
North Dakota	$933,130	$176,691	19%	$154,219	($778,911)	-15%
Ohio	$7,615,703	$3,060,191	40%	$4,510,842	($3,104,861)	32%
Oklahoma	$3,326,401	$108,516	3%	$832,154	($2,494,247)	87%
Oregon	$8,090,978	$6,602,696	82%	$1,861,250	($6,229,728)	-255%

	Fiscal year 2001			Fiscal year 2003		
States	Federal grant allocation	Total expended	Percent expended	Federal grant allocation	Difference between FY01 allocation and FY03 allocation	Percent difference between FY01 expenditure and FY03 allocation
Pennsylvania	$33,135,858	$8,014,047	24%	$5,177,268	($27,958,590)	-55%
Rhode Island	$287,367	$35,385	12%	$327,237	$39,870	89%
South Carolina	$2,758,508	$2,634,781	96%	$1,389,975	($1,368,533)	-90%
South Dakota	$348,290	$348,290	100%	$413,225	$64,935	16%
Tennessee	$8,074,246	$2,672,860	33%	$3,019,575	($5,054,671)	11%
Texas	$15,099,704	$4,156,416	28%	$9,512,763	($5,586,941)	56%
Utah	$1,112,283	$526,397	47%	$611,950	($500,333)	14%
Vermont	$1,583,154	$166,826	11%	$228,246	($1,354,908)	27%
Virginia	$11,819,154	$2,375,349	20%	$1,948,464	($9,870,690)	-22%
Washington	$2,816,412	$2,265,290	80%	$2,375,751	($440,661)	5%
West Virginia	$4,730,286	$211,767	4%	$2,274,490	($2,455,796)	91%
Wisconsin	$4,006,050	$707,649	18%	$710,462	($3,295,588)	0%
Wyoming	$391,196	$78,239	20%	$117,765	($273,431)	34%

Source: USDA.

Note: GAO analysis of USDA data.

Appendix IV: GAO Contacts and Staff Acknowledgments

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Staff Acknowledgments

Elspeth Grindstaff and Angela Miles made significant contributions to this report. In addition, Jessica Botsford provided legal support, Marc Molino provided graphic design assistance, and Susan Bernstein provided writing assistance.

Related GAO Products

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